

**BEFORE  
THE PUBLIC SERVICE COMMISSION OF  
SOUTH CAROLINA**

**DOCKET NO. 2005-125-G**

|                                    |   |                             |
|------------------------------------|---|-----------------------------|
| In the Matter Of                   | ) |                             |
|                                    | ) |                             |
| Election of Piedmont Natural Gas   | ) | <b>COMMENTS OF</b>          |
| Company, Inc. for Application of   | ) | <b>PIEDMONT NATURAL GAS</b> |
| The Natural Gas Rate Stabilization | ) | <b>COMPANY, INC.</b>        |
| Act to Its Rates and Charges       | ) |                             |

Piedmont Natural Gas Company, Inc. ("Piedmont"), pursuant to Section 58-5-455(4) of the S.C. Code of Laws, hereby submits the following written comments on the *Report of Office of Regulatory Staff Examination of Piedmont Natural Gas Company's Monitoring Report* ("ORS Audit") prepared and filed in this proceeding by the Office of Regulatory Staff ("ORS") on September 2, 2008.

Piedmont has carefully reviewed the September 2, 2008 ORS Audit and the proposed adjustments to Piedmont's June 13, 2008 Quarterly Monitoring Report contained therein and consistent with the Settlement Agreement filed in this docket on September 2, 2008, Piedmont hereby advises the Commission that Piedmont has no objection to or comments on the findings and adjustments reflected in the ORS Audit. Piedmont further confirms its agreement, as part of an overall settlement with the ORS, to implement rates beginning with the first billing cycle of November, 2008 based upon the ORS audit results and a return on equity of 11.2% in lieu of the existing approved rate of return on equity adopted in Piedmont's last general rate case.

Revised rates and charges incorporating the ORS Audit adjustments and reflecting a rate of return on equity of 11.2% are attached hereto as Exhibit A.

Respectfully submitted this 15th day of September, 2008.

**PIEDMONT NATURAL GAS COMPANY, INC.**

/s/ James H. Jeffries IV  
James H. Jeffries IV

OF COUNSEL:  
Moore & Van Allen PLLC  
Suite 4700  
100 North Tryon Street  
Charlotte, North Carolina 28202-4003  
T: (704) 331-1079  
F: (704) 339-5879

# **EXHIBIT A**

**PIEDMONT NATURAL GAS  
PROPOSED REVENUES  
2008 RSA**

Exhibit A

Page 1 of 4

| (dekatherms)<br><u>Rate Schedule</u> | Proposed<br><u>Rate</u> | Proposed<br><u>Revenue</u> |
|--------------------------------------|-------------------------|----------------------------|
|--------------------------------------|-------------------------|----------------------------|

**Residential Service - Value 201**

|                |    |         |    |            |
|----------------|----|---------|----|------------|
| Bills - Winter | \$ | 10.00   | \$ | 2,307,730  |
| Bills - Summer | \$ | 8.00    | \$ | 2,866,480  |
| DTs - Winter   |    | 12.9490 |    | 35,234,785 |
| DTs - Summer   |    | 12.4808 |    | 12,936,987 |

**Residential Service - Standard 221**

|                |    |         |    |            |
|----------------|----|---------|----|------------|
| Bills - Winter | \$ | 10.00   | \$ | 3,514,120  |
| Bills - Summer | \$ | 8.00    | \$ | 3,490,304  |
| DTs - Winter   |    | 15.2147 |    | 47,460,948 |
| DTs - Summer   |    | 15.3166 |    | 9,811,737  |

|                          |  |  |  |                      |
|--------------------------|--|--|--|----------------------|
| <b>Total Residential</b> |  |  |  | <b>\$117,623,092</b> |
|--------------------------|--|--|--|----------------------|

**PIEDMONT NATURAL GAS  
PROPOSED REVENUES  
2008 RSA**

Exhibit A

Page 2 of 4

| <u>(dekatherms)<br/>Rate Schedule</u> | <u>Proposed<br/>Rate</u> | <u>Proposed<br/>Revenue</u> |
|---------------------------------------|--------------------------|-----------------------------|
|---------------------------------------|--------------------------|-----------------------------|

**Small General Service - Standard 202**

|              |          |            |
|--------------|----------|------------|
| Bills        | \$ 22.00 | 2,600,312  |
| DTs - Winter | 14.2581  | 25,159,326 |
| DTs - Summer | 13.8548  | 4,849,425  |

**Small General Service - Value 232**

|              |          |            |
|--------------|----------|------------|
| Bills        | \$ 22.00 | 1,081,674  |
| First 200    | 13.5635  | 14,727,167 |
| Over 200     | 13.2242  | 3,542,133  |
| DTs - Winter |          |            |
| First 200    | 12.4785  | 12,887,205 |
| Over 200     | 12.1682  | 1,491,999  |
| DTs - Summer |          |            |

**Medium General Service - Standard 252**

|              |          |           |
|--------------|----------|-----------|
| Bills        | \$ 75.00 | 20,175    |
| DTs - Winter | 13.9800  | 2,138,706 |
| DTs - Summer | 13.4591  | 533,641   |

**Medium General Service - Value 262**

|              |          |           |
|--------------|----------|-----------|
| Bills        | \$ 75.00 | 86,850    |
| First 500    | 13.1741  | 2,942,587 |
| Over 500     | 12.7902  | 3,425,364 |
| DTs - Winter |          |           |
| First 500    | 12.1313  | 3,238,073 |
| Over 500     | 11.8515  | 2,685,072 |
| DTs - Summer |          |           |

**Small General Service - Motor Fuel 242**

|              |          |        |
|--------------|----------|--------|
| Bills        | \$ 22.00 | 528    |
| DTs - Winter | 11.2817  | 9,481  |
| DTs - Summer | 11.4275  | 16,457 |

|                         |  |                     |
|-------------------------|--|---------------------|
| <b>Total Commercial</b> |  | <b>\$81,436,174</b> |
|-------------------------|--|---------------------|

**PIEDMONT NATURAL GAS  
PROPOSED REVENUES  
2008 RSA**

Exhibit A

Page 3 of 4

| (dekatherms)<br><u>Rate Schedule</u> | Proposed<br><u>Rate</u> | Proposed<br><u>Revenue</u> |
|--------------------------------------|-------------------------|----------------------------|
|--------------------------------------|-------------------------|----------------------------|

**Large General Service - Sales 203**

|                    |    |         |         |
|--------------------|----|---------|---------|
| Bills              | \$ | 250.00  | 35,250  |
| Demand DT'S        | \$ | 19.00   | 428,412 |
| First 1,500        |    | 11.5834 | 955,729 |
| Next 1,500         |    | 10.8423 | 508,346 |
| Next 7,500         |    | 10.4774 | 257,061 |
| Next 16,500        |    | 9.5225  | -       |
| Next 33,000        |    | 8.9693  | -       |
| <u>Over 60,000</u> |    | 8.6836  | -       |
| DTs - Winter       |    |         |         |
| First 1,500        |    | 10.5514 | 978,635 |
| Next 1,500         |    | 10.0666 | 342,573 |
| Next 7,500         |    | 10.2198 | 60,434  |
| Next 16,500        |    | 9.3368  | -       |
| Next 33,000        |    | 8.9193  | -       |
| <u>Over 60,000</u> |    | 8.6836  | -       |
| DTs - Summer       |    |         |         |

**Large General Service - Transportation 213**

|                    |    |        |         |
|--------------------|----|--------|---------|
| Bills              | \$ | 250.00 | 123,500 |
| Demand DT'S        | \$ | 6.00   | 505,872 |
| Standby DT's       | \$ | 13.00  | 0       |
| First 1,500        |    | 2.6227 | 713,485 |
| Next 1,500         |    | 1.9484 | 366,437 |
| Next 7,500         |    | 1.4841 | 220,532 |
| Next 16,500        |    | 1.0225 | 227     |
| Next 33,000        |    | 0.4693 | -       |
| <u>Over 60,000</u> |    | 0.1836 | -       |
| DTs - Winter       |    |        |         |
| First 1,500        |    | 1.9352 | 736,911 |
| Next 1,500         |    | 1.4461 | 323,088 |
| Next 7,500         |    | 1.1966 | 170,756 |
| Next 16,500        |    | 0.8092 | -       |
| Next 33,000        |    | 0.4193 | -       |
| <u>Over 60,000</u> |    | 0.1836 | -       |
| DTs - Summer       |    |        |         |

**PIEDMONT NATURAL GAS  
PROPOSED REVENUES  
2008 RSA**

Exhibit A

Page 4 of 4

| (dekatherms)<br><u>Rate Schedule</u> | Proposed<br><u>Rate</u> | Proposed<br><u>Revenue</u> |
|--------------------------------------|-------------------------|----------------------------|
|--------------------------------------|-------------------------|----------------------------|

**Interruptible Service - Sales 204**

|                    |    |         |           |
|--------------------|----|---------|-----------|
| Bills              | \$ | 250.00  | 60,750    |
| First 1,500        |    | 12.5112 | 1,570,248 |
| Next 1,500         |    | 11.8066 | 1,046,667 |
| Next 7,500         |    | 11.3173 | 1,553,002 |
| Next 16,500        |    | 11.6055 | 135,127   |
| Next 33,000        |    | 9.9537  | -         |
| <u>Over 60,000</u> |    | 9.0836  | -         |
| DTs - Winter       |    |         |           |
| First 1,500        |    | 10.7274 | 1,854,327 |
| Next 1,500         |    | 10.2364 | 1,104,941 |
| Next 7,500         |    | 9.9703  | 1,309,289 |
| Next 16,500        |    | 9.6635  | 260,943   |
| Next 33,000        |    | 9.0693  | -         |
| <u>Over 60,000</u> |    | 8.7836  | -         |
| DTs - Summer       |    |         |           |

**Interruptible Service - Transportation 214**

|                    |    |        |           |
|--------------------|----|--------|-----------|
| Bills              | \$ | 250.00 | 162,750   |
| First 1,500        |    | 2.6101 | 1,010,715 |
| Next 1,500         |    | 1.9337 | 614,557   |
| Next 7,500         |    | 1.4413 | 978,724   |
| Next 16,500        |    | 0.9540 | 259,261   |
| Next 33,000        |    | 0.4805 | 13,437    |
| <u>Over 60,000</u> |    | 0.1836 | -         |
| DTs - Winter       |    |        |           |
| First 1,500        |    | 1.9182 | 1,020,277 |
| Next 1,500         |    | 1.4161 | 578,324   |
| Next 7,500         |    | 1.1008 | 862,539   |
| Next 16,500        |    | 0.7854 | 212,457   |
| Next 33,000        |    | 0.6228 | -         |
| <u>Over 60,000</u> |    | 0.1836 | -         |
| DTs - Summer       |    |        |           |

**Total Industrial** **\$21,335,583**

**Outdoor Gaslight Service - Rate 205**

|          |       |     |
|----------|-------|-----|
| Fixtures | 15.00 | 720 |
|----------|-------|-----|

**Annual Revenues From Special Contracts** **3,744,363**

**ANNUAL TOTAL** **\$224,139,932**

## CERTIFICATE OF SERVICE

The undersigned hereby certifies that a copy of the attached *Comments of Piedmont Natural Gas Company, Inc.* in the State of South Carolina is being served this date via email and UPS Overnight (5 copies) upon:

Jeffrey M. Nelson  
C. Lessie Hammonds  
Office of Regulatory Staff  
1441 Main Street  
Suite 300  
Columbia, South Carolina 29201  
jnelson@regstaff.sc.gov

And that a copy of the attached *Comments of Piedmont Natural Gas Company, Inc.* is being served this date via email and U.S. Mail upon:

Scott Elliott  
Elliott and Elliott, PA  
721 Olive Street  
Columbia, South Carolina 29205  
sellott@elliottlaw.us

Jane Lewis-Raymond  
Vice President & General Counsel  
Piedmont Natural Gas Company, Inc.  
P.O. Box 33068  
Charlotte, North Carolina 28233  
jane.lewis-raymond@piedmontng.com

David Carpenter  
Managing Director Regulatory Affairs  
Piedmont Natural Gas Company, Inc.  
P.O. Box 33068  
Charlotte, North Carolina 28233  
david.carpenter@piedmontng.com

This the 15th day of September, 2008.

s/ James H. Jeffries IV  
James H. Jeffries IV